

# Real Estate

## Commercial markets: Demand-supply trends in top 7 cities



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We analysed the trends in commercial markets across seven major Indian cities as well as key micro-markets within each city (Source: Cushman and Wakefield) and found that: i) Overall vacancies were flat at 17.9% in 2QFY24 (17.9% in 1QFY23), and ii) Quoted rents were broadly steady across Grade A properties. Across the top 7 cities, 34msf of supply was delivered on an LTM basis (Exhibit 2) while net absorption was around c.33msf. Leasing activity is expected to get a further leg-up in the next 6-9 months on account of i) likely clarity on SEZ area (partial denotification and DESH Bill), ii) incremental work-from-office trends, and iii) India remaining the most favoured offshoring destination. We expect occupancy levels to improve slowly starting 2HFY25E and then gain momentum in FY26E. In our coverage universe, Mindspace REIT and Brookfield REIT both look attractive from a 'total returns' perspective.

- **Vacancies bottomed out; demand remains healthy:** We highlight that vacancies were flat at 17.9% in 2QFY24 (17.9% in 1QFY23; Exhibit 1) despite new supply of 34msf being delivered over the past 12 months (Exhibit 2). Demand remains healthy at c.33msf on a LTM basis; annual net absorption is, however, lower than supply.
- **Stable occupancies at Bengaluru and Pune; supply glut impacting Hyderabad:** Bengaluru and Pune are the most stable office markets in the country with the lowest vacancies at 11.4% and 10.5% respectively as of 2QFY24. Vacancy at Bengaluru has increased by 3.4ppt over 2QFY23 due to area addition of 10msf (+6% YoY) and net absorption of only 4msf during the same period. Vacancy levels at Pune have marginally declined over 2QFY23 (11.7%) as demand (5msf) was in line with supply (5msf; +8% YoY). Hyderabad, on the other hand, has seen massive supply (9msf LTM run-rate; +10% YoY) while demand remains at c. 7msf, resulting in vacancies inching upwards to 24% (14% in 1QFY22). However, within Hyderabad, the Madhapur micro-market (location of Mindspace REIT's largest asset) has a vacancy of 14% (8% vacancy in Madhapur park), indicating a healthy trend for the existing REIT asset. We highlight the high vacancies across MMR / Delhi NCR / Kolkata of 20% / 24% / 25%, although a large part of this is in standalone and strata-sold buildings.
- **Major REIT micro-markets stable QoQ:** Excluding Madhapur, Hyderabad, vacancies at all other key REIT micro-markets (Thane Belapur (MMR), Outer Ring Road (Bengaluru) and Cyber City region (Gurgaon)) have largely been stable QoQ (Exhibit 33). As of 2QFY24, the REIT parks (excluding Embassy Manyata where 1msf was added in 2QFY24) have lower vacancies compared to their respective micro-markets. These assets are the preferred destinations for grade-A occupiers as they are large format office campuses, with Grade-A construction and ample amenities, delivering a superior occupier experience. This superior occupier experience works as a competitive advantage in favour of the REITs/Tier 1 landlords.
- **Key takeaways from the conference:** The consensus view amongst the major office owners (Embassy, Mindspace, Brookfield, Brigade and Prestige) was that expiries should decline, going forward, and occupancies should start inching upwards from 1QFY25, as net leasing turns positive. These elevated expiries were largely led by space rationalisation carried out (now largely complete) by IT/leS companies. On the other hand, the three Indian office REITs have witnessed healthy leasing as global captive centres (GCCs) have emerged as a prominent driver for commercial office absorption. Across the three REITs, c. 75% of the vacancies are in the SEZ spaces and this will likely improve once the laws are amended to allow partial denotification of SEZs.
- **Preferred picks:** In our coverage universe, Mindspace REIT (BUY-rated with a Sep'24TP of INR 345; total return potential of 15%) and Brookfield REIT (BUY-rated with a Sep'24TP of INR 280; total return potential of 25%) look attractive from a 'total returns' perspective.

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## Top 7 Cities

## Exhibit 1. Vacancies in top seven cities

Vacancy (%)	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Bengaluru	6.5%	8.0%	8.1%	9.0%	9.3%	8.9%	9.0%	9.6%	8.2%	8.0%	9.5%	9.5%	10.8%	11.4%
Hyderabad	6.7%	8.3%	8.4%	13.0%	14.0%	13.3%	15.1%	17.3%	19.5%	21.8%	21.1%	20.7%	23.8%	23.8%
Pune	5.5%	5.9%	7.2%	6.7%	6.5%	6.9%	8.5%	10.7%	12.5%	11.7%	11.6%	10.7%	9.7%	10.5%
Mumbai	18.8%	19.8%	20.9%	21.1%	22.1%	22.8%	23.1%	23.8%	23.1%	23.2%	21.0%	20.4%	20.2%	19.6%
Delhi NCR	24.0%	24.0%	25.1%	26.4%	26.6%	27.7%	26.7%	26.6%	26.1%	27.0%	25.6%	25.2%	24.6%	23.9%
Kolkata	33.5%	32.5%	32.7%	32.3%	32.2%	31.9%	31.1%	30.6%	29.9%	29.2%	29.0%	29.0%	28.6%	25.4%
Chennai	9.3%	9.1%	11.7%	11.4%	11.4%	12.1%	11.7%	13.6%	16.3%	16.4%	15.1%	14.3%	15.7%	16.6%
<b>Total</b>	<b>13.8%</b>	<b>14.4%</b>	<b>15.2%</b>	<b>16.2%</b>	<b>16.6%</b>	<b>16.9%</b>	<b>17.0%</b>	<b>17.9%</b>	<b>17.9%</b>	<b>18.3%</b>	<b>17.8%</b>	<b>17.4%</b>	<b>18.0%</b>	<b>17.9%</b>

Source: Cushman and Wakefield, JM Financial

## Exhibit 2. 34msf of area added since 2QFY23

City wise Inventory (msf)	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Bengaluru	148	152	154	156	158	159	163	166	168	172	174	174	179	182
Hyderabad	62	65	66	70	72	73	77	80	84	88	90	90	95	97
Pune	53	54	55	55	55	55	57	59	62	63	64	65	66	67
Mumbai	98	98	100	101	103	105	106	107	107	109	109	109	109	110
Delhi NCR	116	116	119	122	122	125	125	127	128	131	133	134	134	135
Kolkata	26	26	26	26	26	26	26	26	26	26	26	27	27	28
Chennai	51	51	54	54	54	55	55	56	58	60	60	60	62	63
<b>Total</b>	<b>555</b>	<b>562</b>	<b>575</b>	<b>583</b>	<b>591</b>	<b>597</b>	<b>609</b>	<b>622</b>	<b>635</b>	<b>648</b>	<b>656</b>	<b>659</b>	<b>672</b>	<b>683</b>

Source: Cushman and Wakefield, JM Financial

## Exhibit 3. Quarterly office absorption trends

Quarterly Net Absorption (msf)	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Bengaluru	-0.1	1.7	1.9	1.7	1.4	1.1	3.5	1.8	4.8	3.7	0.2	1.5	0.6	1.8
Hyderabad	1.8	1.1	1.7	0.6	0.9	1.6	2.5	0.6	1.5	1.2	2.2	1.6	1.5	1.7
Pune	0.1	0.2	0.6	0.3	0.2	0.1	0.6	1.4	0.5	0.9	1.2	1.6	1.2	0.9
Mumbai	1.6	-0.3	0.4	0.2	1.0	0.2	0.5	0.6	0.8	0.7	2.7	0.7	0.5	1.1
Delhi NCR	-0.3	0.1	0.8	0.4	0.1	0.8	1.4	1.3	1.3	1.3	3.2	1.7	0.9	1.2
Kolkata	0.1	0.0	0.0	0.2	0.0	0.1	0.2	0.1	0.4	0.0	0.3	0.6	0.2	0.3
Chennai	0.0	0.1	1.2	0.1	0.0	0.3	0.3	0.5	0.2	0.9	1.1	0.5	0.9	0.6
<b>Total</b>	<b>3.1</b>	<b>2.9</b>	<b>6.5</b>	<b>3.6</b>	<b>3.6</b>	<b>4.2</b>	<b>8.9</b>	<b>6.4</b>	<b>9.5</b>	<b>8.7</b>	<b>10.8</b>	<b>8.1</b>	<b>5.9</b>	<b>7.7</b>

Source: Cushman and Wakefield, JM Financial

## Exhibit 4. Average city wise in-place rentals

Rent (INR psf pm)	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Bengaluru	82	83	83	83	83	83	83	83	83	83	83	83	83	83
Hyderabad	62	61	61	61	61	61	61	61	61	61	61	61	65	65
Pune	71	71	71	71	71	71	71	72	74	75	75	75	76	75
Mumbai	122	120	120	120	120	119	119	117	118	119	119	120	120	121
Delhi NCR	65	65	65	64	64	63	62	62	62	62	62	63	64	64
Kolkata	47	47	48	48	48	48	48	48	48	48	49	49	48	49
Chennai	58	58	57	62	58	57	57	58	58	58	58	59	59	59

Source: Cushman and Wakefield, JM Financial

**Bengaluru**

**Supply:** In 2QFY24, Bengaluru added a supply of 3.2msf of Grade-A office inventory, which came with limited pre-committments. Another c. 4msf of new supply is likely to be completed by 3QFY24.

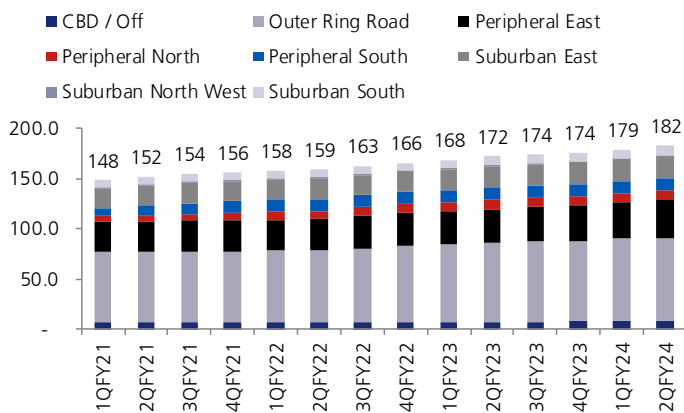
**Leasing:** Net absorption significantly increased QoQ to 1.8msf in 2QFY24, owing to steady leasing and operationalisation of a few projects which enjoyed healthy pre-committments. Leasing is expected to remain strong in the short term as several developments with pre-committed spaces are expected to enter the market.

**Vacancy:** Vacancy increased to 11.4% (+60bps QoQ) on the back of new supply addition. This trend is likely to continue in the coming quarters due to robust supply addition.

**Rent:** Despite a QoQ vacancy increase at the city level, rentals remained range-bound, and this momentum is likely to sustain in the near term.

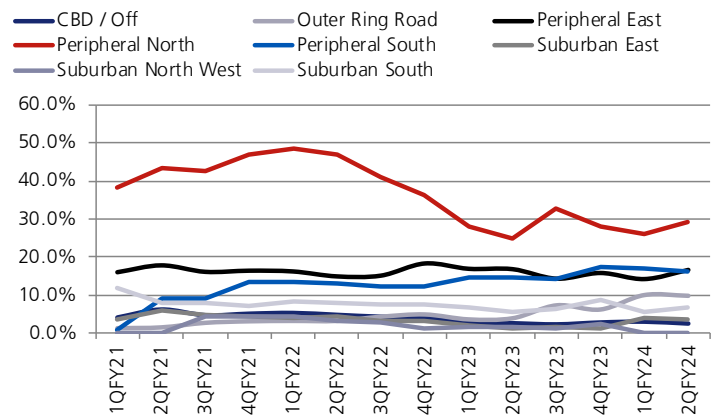
**Key listed stocks:** Embassy REIT, Prestige, and Brigade have a large exposure to the Bengaluru office market.

**Exhibit 5. Outer Ring Road is the largest micro-market**



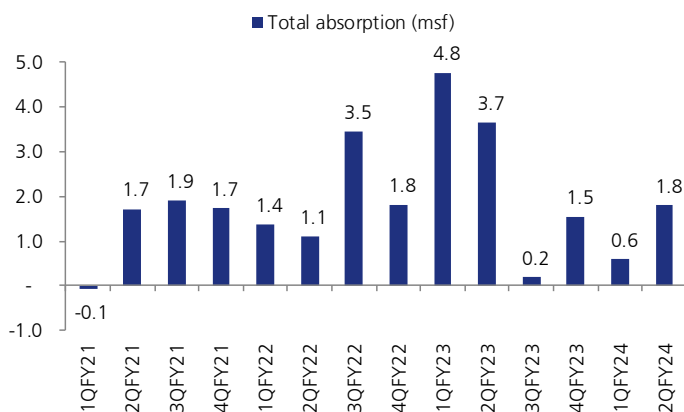
Source: Cushman and Wakefield, JM Financial

**Exhibit 6. Vacancy trends across micro-markets**



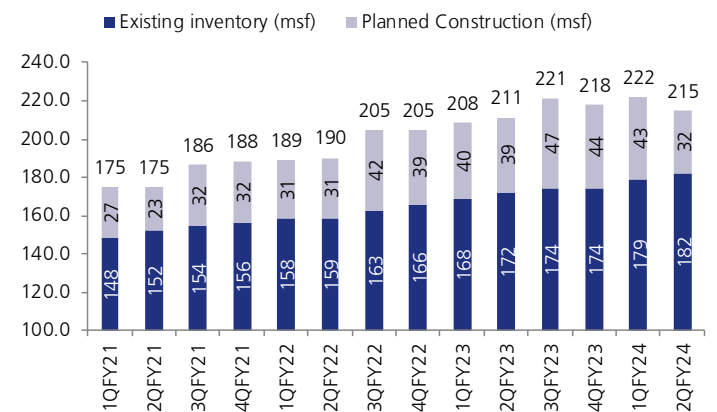
Source: Cushman and Wakefield, JM Financial

**Exhibit 7. Total absorption in the city**



Source: Cushman and Wakefield, JM Financial

**Exhibit 8. Planned supply + existing inventory trends**



Source: Cushman and Wakefield, JM Financial

Hyderabad

**Supply:** In 2QFY24, Hyderabad added 2.2msf of new supply (declined 58% QoQ), while for 9MCY23 supply stood at 8.1msf. Another 5-6msf is estimated to be added in 3QFY24.

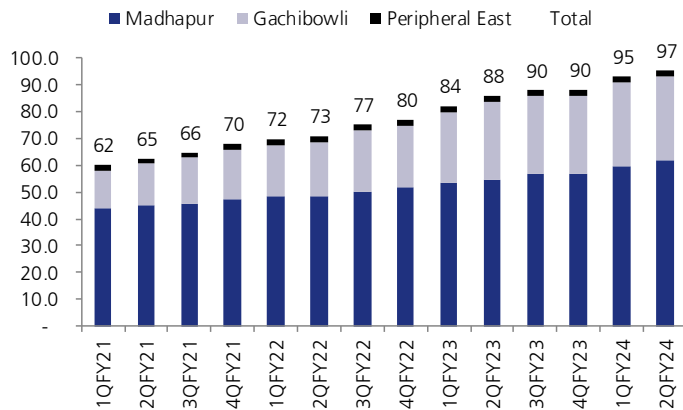
**Leasing:** Gross leasing in 2QFY24 came in at 2.44msf; as a result, Hyderabad witnessed a healthy net absorption of c. 1.7msf.

**Vacancy:** City wide vacancy was flat at 23.8% in 2QFY24, as area addition was offset by healthy leasing. Vacancy levels at Madhapur recorded a rise of 1.2ppt QoQ, while vacancy levels in Gachibowli declined by 1.6ppt QoQ on the back of no new completions and healthy leasing activity.

**Rent:** Rentals were flat at INR 65psf pm.

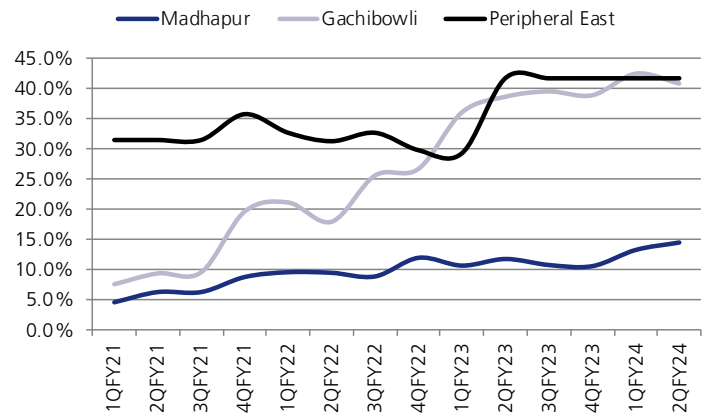
**Key listed stocks:** Mindspace REIT has a large exposure to the Madhapur micro-market in Hyderabad with the presence of a Right of First Offer asset also.

Exhibit 9. Madhapur is the largest market in Hyderabad



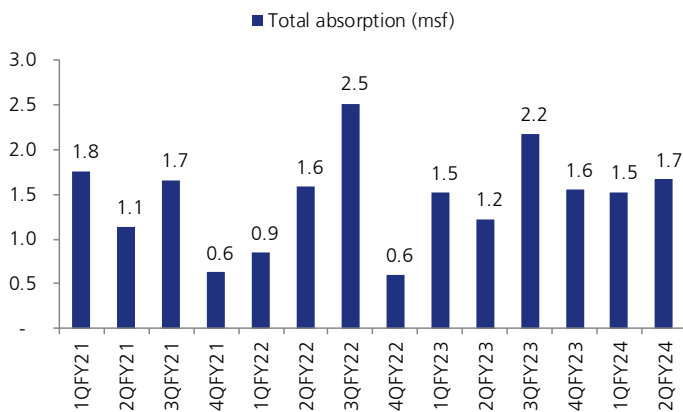
Source: Cushman and Wakefield, JM Financial

Exhibit 10. Vacancy trends across micro-markets



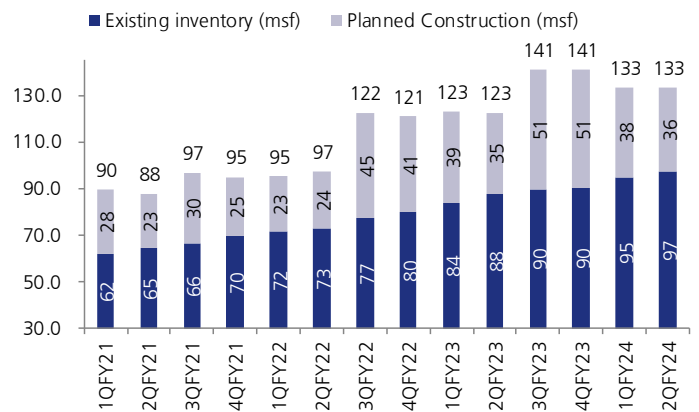
Source: Cushman and Wakefield, JM Financial

Exhibit 11. Total absorption in the city



Source: Cushman and Wakefield, JM Financial

Exhibit 12. Planned supply + existing inventory trends



Source: Cushman and Wakefield, JM Financial

Mumbai Metropolitan Region (MMR)

**Supply:** New additions were 0.6msf in 2QFY24 but ~4.7msf of new supply is anticipated in the next 6 months (~30% pre-committed). Supply of ~16.70msf is expected to come in from 3QFY24 to 4QFY26, majorly in Andheri-Kurla, Malad, Goregaon and Thane-Belapur Road micro-markets.

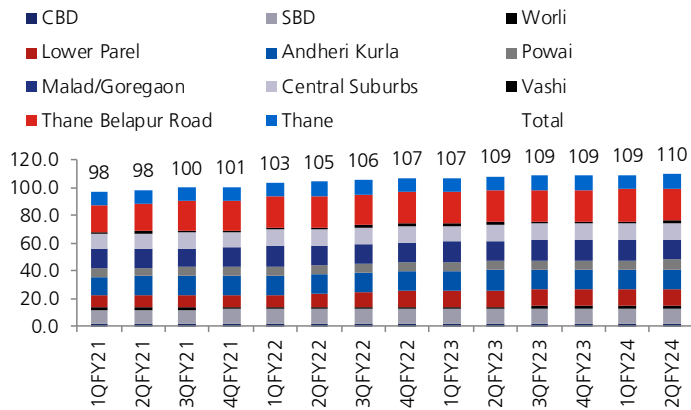
**Leasing:** Witnessed gross leasing of 3.5msf (down 19% YoY; +27% QoQ) in 2QFY24. Net absorption of 1.1msf was achieved in 2QFY24 driven by fresh leasing activity in key city sub markets.

**Vacancy:** Overall vacancy has fallen to 19.6% (down 60bps QoQ) as of 2QFY24.

**Rent:** Overall city-wide market rentals have witnessed a slight uptick (INR 121psf pm; +1% QoQ).

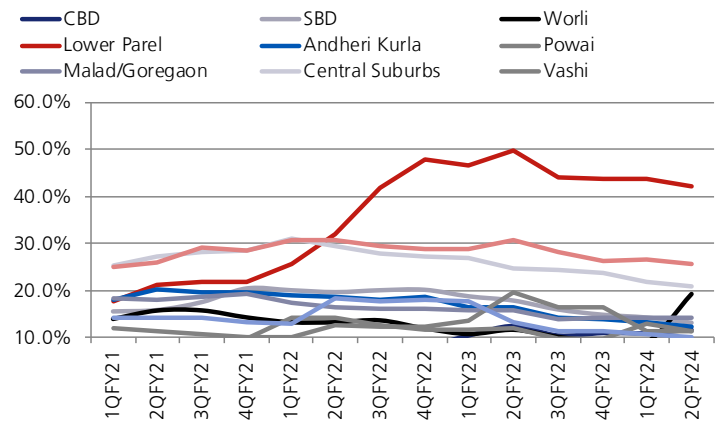
**Key listed stocks:** Mindspace REIT, Brookfield REIT and Embassy REIT have a large exposure to the MMR office market. Listed real estate companies namely Oberoi Realty, Macrotech Developers and Phoenix Mills also have some exposure to CRE in MMR.

Exhibit 13. Micro-market-wise inventory



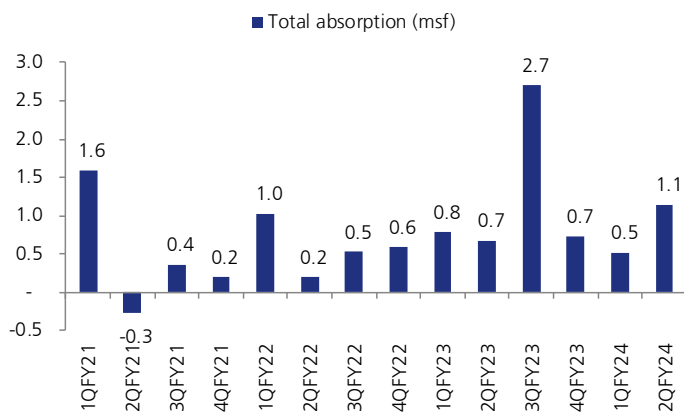
Source: Cushman and Wakefield, JM Financial

Exhibit 14. Vacancy trends across micro-markets



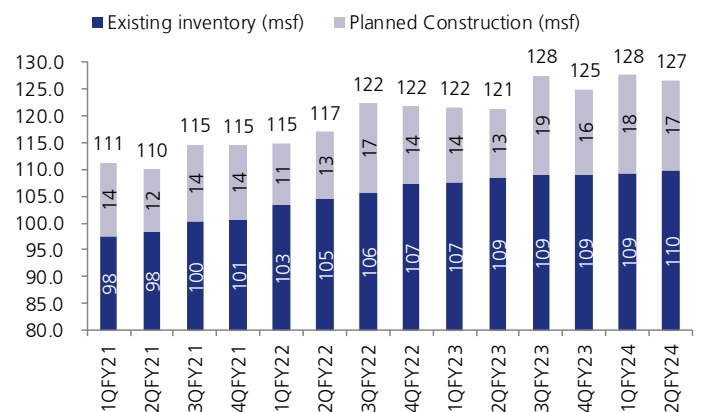
Source: Cushman and Wakefield, JM Financial

Exhibit 15. Net absorption in line with the average of last 2 years



Source: Cushman and Wakefield, JM Financial

Exhibit 16. Planned supply + existing inventory trends



Source: Cushman and Wakefield, JM Financial

Delhi NCR

**Supply:** c. 0.4msf of area was added in 2QFY24; however, 15.5msf is expected to be added by FY26.

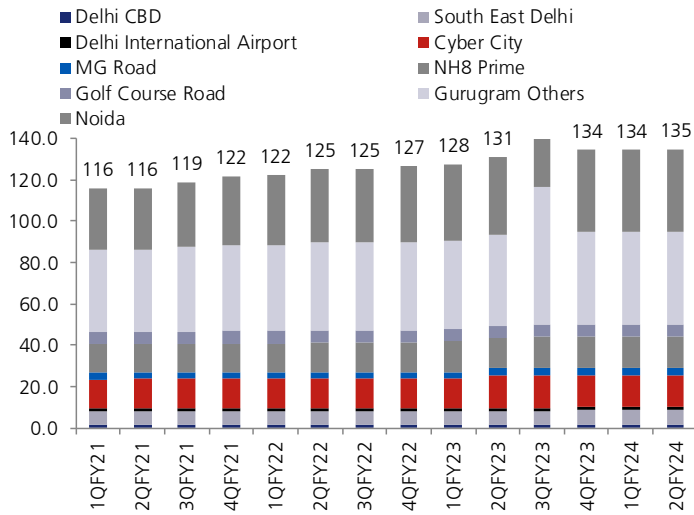
**Leasing:** Gross leasing stood at 3.4msf (down 11% YoY; down 4% QoQ) in 2QFY24 while net absorption was 1.2msf. Fresh leases accounted for majority of the demand, holding a share of 59%, followed by pre-commitments and term renewals with 33% and 8% shares respectively.

**Vacancy:** Vacancy levels declined to 23.9% as of 2QFY24 (down 66bps QoQ, down 290bps YoY) due to strong leasing activity primarily driven by fresh leases.

**Rent:** City level rentals slightly increased to INR 64.3psf pm (+2.9% YoY, +1.2% QoQ).

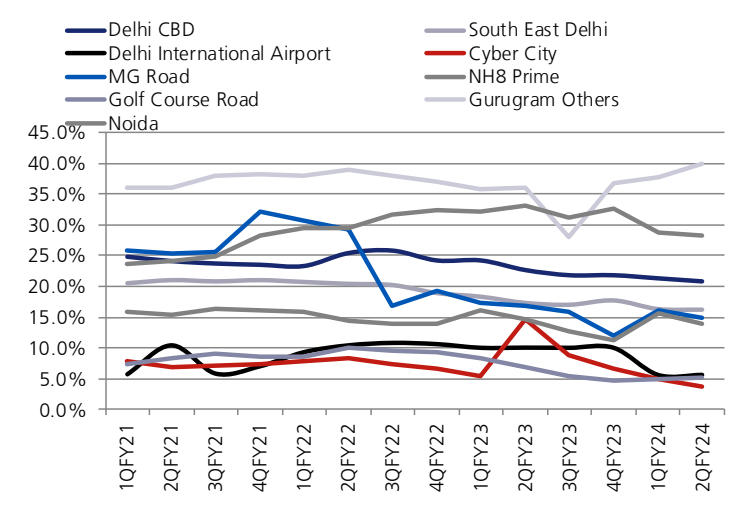
**Key listed stocks:** DLF, Brookfield REIT and Embassy REIT have an exposure to the Delhi NCR office market.

Exhibit 17. Micro-market-wise inventory



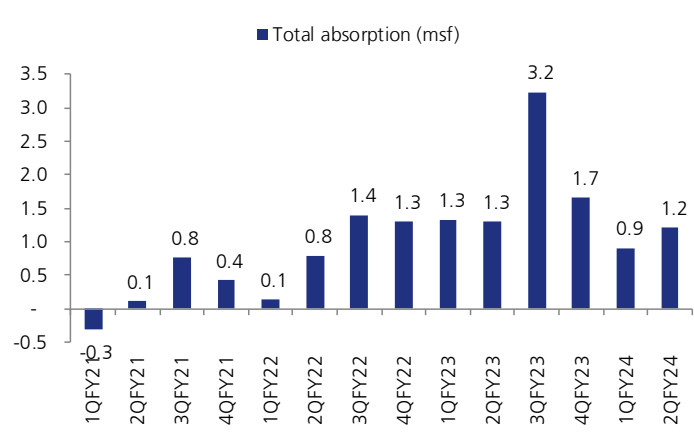
Source: Cushman and Wakefield, JM Financial

Exhibit 18. Vacancy trends across micro-markets



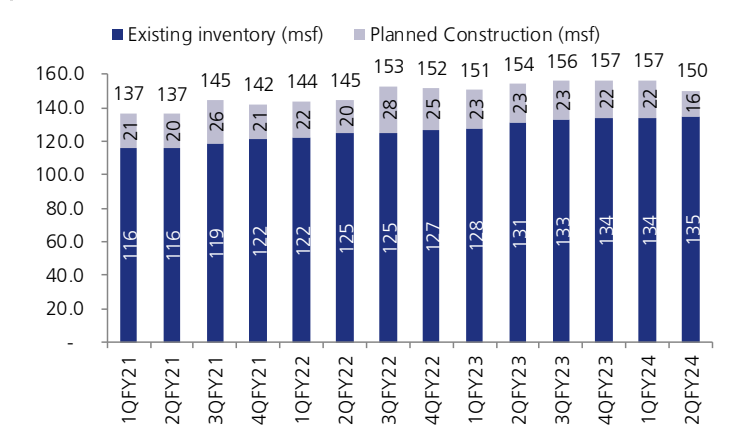
Source: Cushman and Wakefield, JM Financial

Exhibit 19. Total absorption in the city



Source: Cushman and Wakefield, JM Financial

Exhibit 20. Planned supply + existing inventory trends



Source: Cushman and Wakefield, JM Financial

Pune

**Supply:** In 2QFY24 1.6msf of area was added in Pune, the highest in the last 5 quarters. It is expected that c. 13.9msf of new supply will come in the next 18-24 months. Most of this upcoming supply is expected in the SBD East (47%) and PBD West (26%) submarkets.

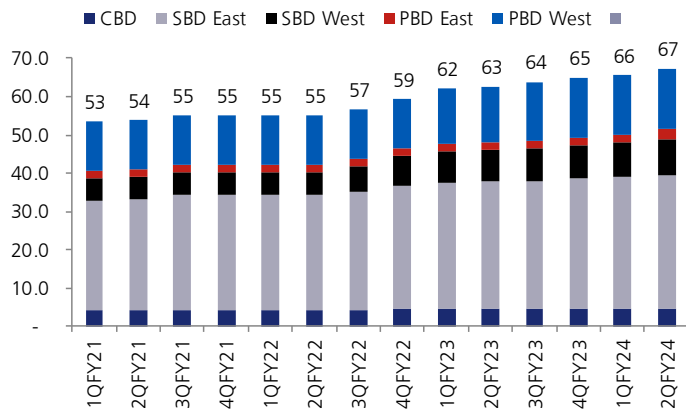
**Leasing:** Gross leasing stood at c. 1msf in 2QFY24 (down 40% YoY; down 66% QoQ) largely due to a slowdown in CRE decision making process among key tenant occupiers. Net absorption for the quarter was 0.9msf.

**Vacancy:** Overall city-wide vacancy witnessed an 85bps rise to 10.5% in 2QFY24 due to a spike in quarterly supply.

**Rent:** Rentals have remained stable and are expected to be range bound in the upcoming quarters.

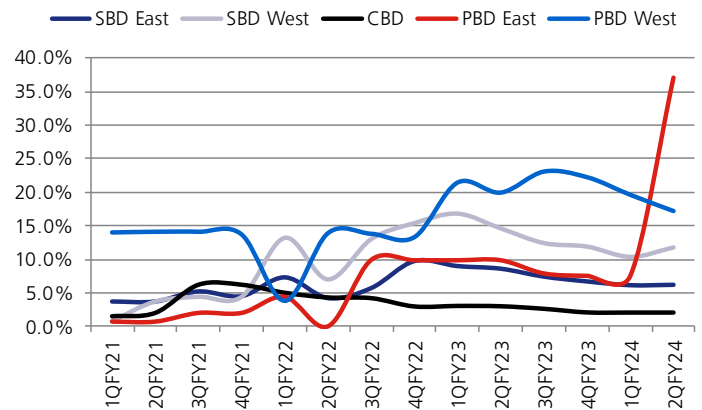
**Key listed stocks:** Mindspace REIT and Embassy REIT have exposure to the Pune office market.

Exhibit 21. Micro-market-wise inventory



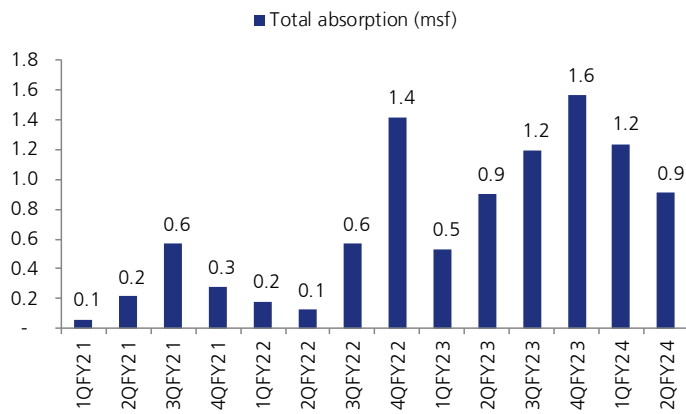
Source: Cushman and Wakefield, JM Financial

Exhibit 22. Vacancy trends across micro-markets



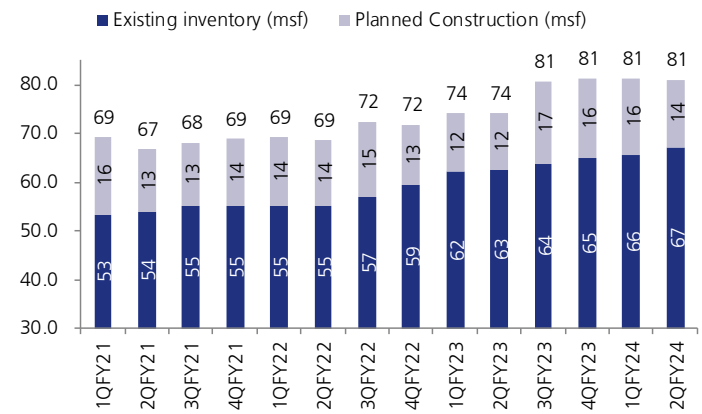
Source: Cushman and Wakefield, JM Financial

Exhibit 23. Total absorption in the city



Source: Cushman and Wakefield, JM Financial

Exhibit 24. Planned supply + existing inventory trends



Source: Cushman and Wakefield, JM Financial

Chennai

**Supply:** Chennai has an upcoming supply of around c. 14msf over the next 2 years. 1.4msf of Grade A office was added in 2QFY24.

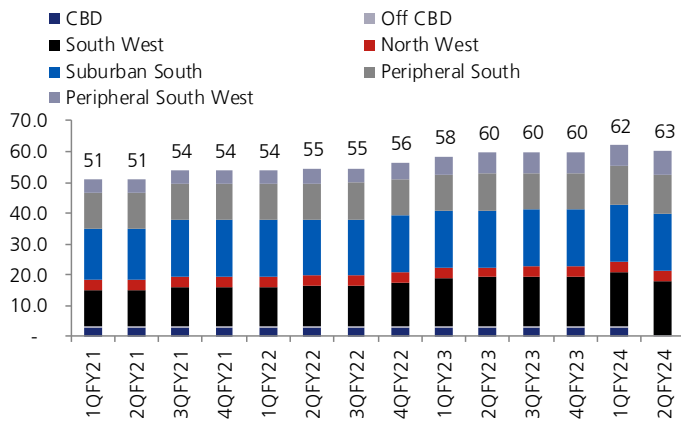
**Leasing:** Gross leasing stood at 1.8msf in 2QFY24 (down 7% YoY; +14% QoQ) led by new leasing, which has a share of 68%. Net absorption came in at 0.6msf driven by fresh space take-up.

**Vacancy:** In 2QFY24, city wide vacancy marginally increased to 16.6% (+86bps QoQ) due to the new supply addition in the peripheral south-west submarket.

**Rent:** Rentals increased slightly across most markets, resulting in a marginal rise in overall rentals.

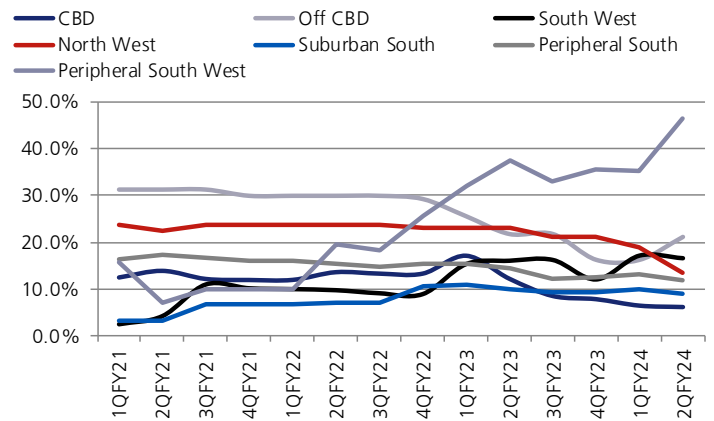
**Key listed stocks:** DLF and Brigade have exposure to the Chennai office market.

Exhibit 25. Micro-market-wise inventory



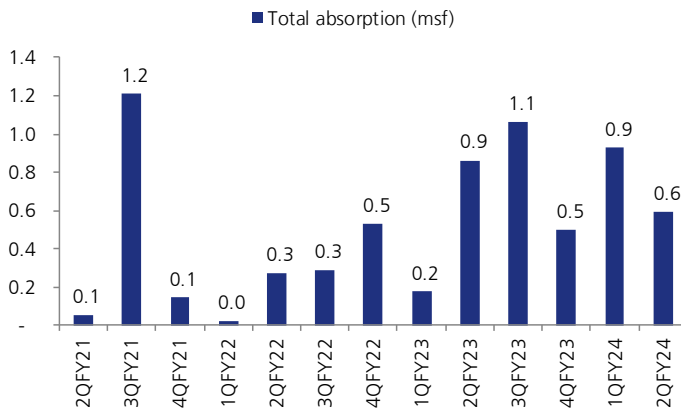
Source: Cushman and Wakefield, JM Financial

Exhibit 26. Vacancy trends across micro-markets



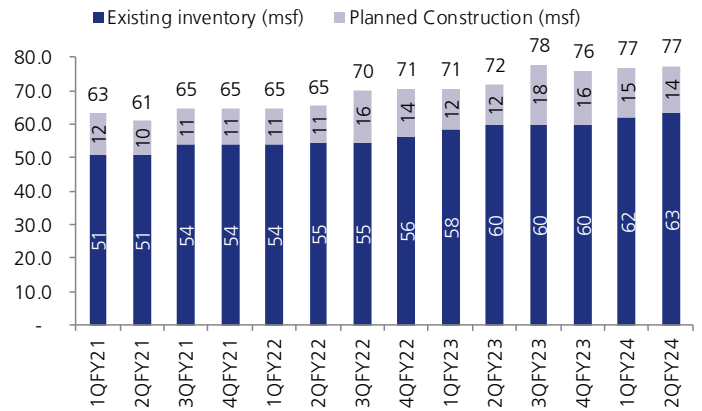
Source: Cushman and Wakefield, JM Financial

Exhibit 27. Total absorption in the city



Source: Cushman and Wakefield, JM Financial

Exhibit 28. Planned supply + existing inventory trends



Source: Cushman and Wakefield, JM Financial



Kolkata

**Supply:** After a long time, supply addition hit 1msf in 2QFY24. The shortage of quality grade-A offices will be addressed soon in Kolkata.

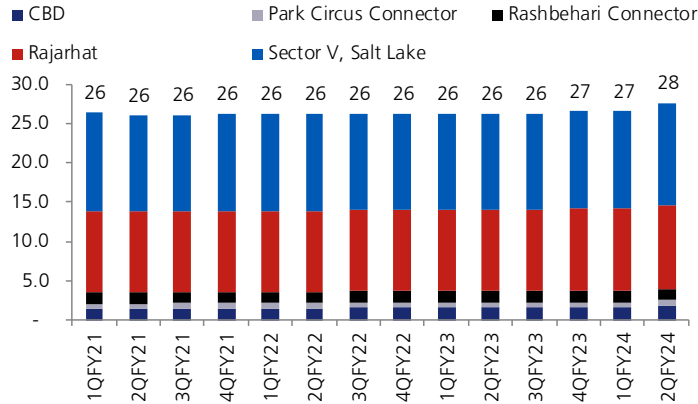
**Leasing:** In 2QFY24, demand for office spaces was healthy with gross leasing of 0.41msf (+40% YoY, +87% QoQ).

**Vacancy:** Overall vacancy declined to 25.4% in 2QFY24 (29.2% in 2QFY23, down 320bps QoQ) as supply remained low.

**Rent:** Rents were largely unchanged, despite a shortage of supply and improving demand.

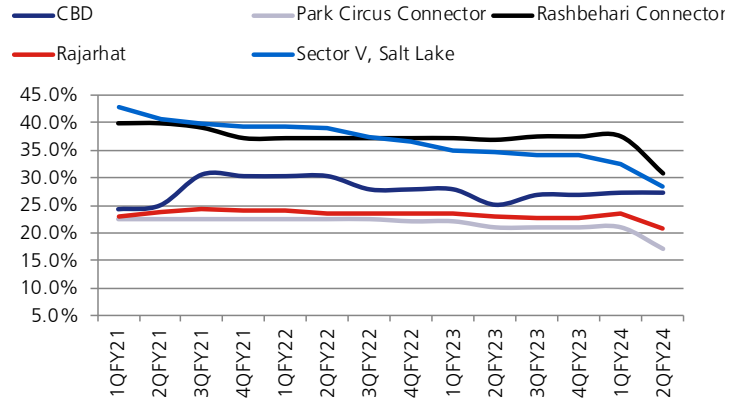
**Key listed stocks:** Brookfield REIT has a large exposure to the Kolkata office market.

Exhibit 29. Micro-market-wise inventory



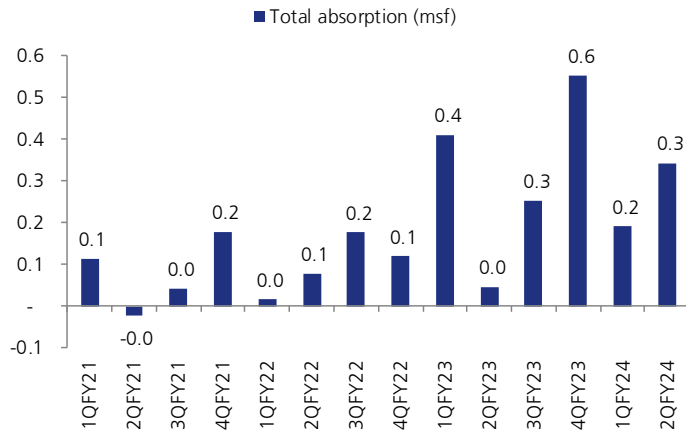
Source: Cushman and Wakefield, JM Financial

Exhibit 30. Vacancy trends across micro-markets



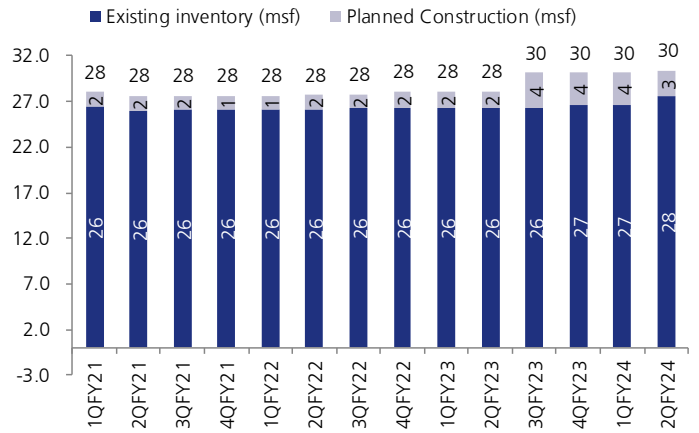
Source: Cushman and Wakefield, JM Financial

Exhibit 31. Total absorption in the city



Source: Cushman and Wakefield, JM Financial

Exhibit 32. Planned supply + existing inventory trends



Source: Cushman and Wakefield, JM Financial

## Key REIT Markets

## Exhibit 33. Occupancy levels in key REIT micro-markets

Key REIT Markets / Assets Vacancy	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
<b>Embassy REIT</b>										
Embassy Manyata	93.7%	91.8%	88.2%	88.3%	87.0%	88.0%	89.0%	89.0%	91.0%	81.0%
Outer Ring Road, Bengaluru Area	96.8%	96.8%	95.7%	95.1%	96.4%	96.1%	92.7%	93.8%	90.0%	90.2%
<b>Mindspace REIT</b>										
Mindspace Madhapur	90.1%	91.2%	89.6%	89.6%	90.6%	92.2%	94.5%	95.4%	95.8%	91.9%
Madhapur, Hyderabad	90.5%	90.6%	91.2%	88.1%	89.4%	88.3%	89.3%	89.5%	86.8%	85.6%
Mindspace Airoli East	89.1%	88.1%	86.8%	86.3%	88.3%	88.2%	88.3%	88.3%	86.4%	82.7%
Mindspace Airoli West	68.6%	66.8%	67.3%	66.0%	67.2%	68.7%	69.6%	70.7%	72.6%	72.6%
Thane Belapur Road, Mumbai Area	69.1%	69.3%	70.4%	71.2%	71.3%	69.3%	71.9%	73.8%	73.5%	74.4%
<b>Brookfield REIT / DLF</b>										
Brookfield Gurgaon G2	89.0%	81.0%	81.0%	83.0%	85.0%	85.0%	84.0%	85.0%	84.0%	72.5%
DLF Cyber City	83.0%	83.0%	84.0%	89.0%	89.0%	90.0%	91.0%	92.0%	92.0%	96.0%
DLF Cyber SEZ	91.0%	91.0%	93.0%	88.0%	87.0%	87.0%	86.0%	83.0%	82.0%	86.0%
DLF Cyber Park	92.0%	93.0%	95.0%	99.0%	99.0%	99.0%	98.0%	98.0%	99.0%	99.0%
Cyber City (Nearby area)	92.1%	91.8%	92.7%	93.5%	94.6%	85.3%	91.1%	93.5%	95.0%	96.3%

Source: Company, JM Financial

## Exhibit 34. Committed occupancy levels across regions

Particulars	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
<b>Embassy</b>	<b>89%</b>	<b>89%</b>	<b>87%</b>	<b>87%</b>	<b>87%</b>	<b>87%</b>	<b>86%</b>	<b>86%</b>	<b>85%</b>	<b>83%</b>
Mumbai	81%	81%	84%	82%	83%	86%	87%	90%	91%	96%
Gurgaon	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Noida	84%	84%	79%	79%	79%	79%	79%	77%	65%	62%
Bengaluru	94%	94%	92%	92%	92%	93%	93%	92%	94%	89%
Hyderabad	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Pune	74%	75%	74%	75%	74%	72%	65%	66%	66%	69%
Chennai	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Kolkata	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Mindspace</b>	<b>84%</b>	<b>85%</b>	<b>85%</b>	<b>84%</b>	<b>86%</b>	<b>87%</b>	<b>88%</b>	<b>89%</b>	<b>89%</b>	<b>87%</b>
Mumbai	81%	80%	80%	79%	79%	80%	80%	81%	81%	79%
Gurgaon	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Noida	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Bengaluru	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hyderabad	89%	91%	89%	88%	88%	91%	91%	92%	93%	89%
Pune	97%	96%	98%	98%	98%	99%	99%	100%	97%	100%
Chennai	8%	17%	30%	37%	37%	60%	94%	94%	97%	80%
Kolkata	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Brookfield</b>	<b>84%</b>	<b>82%</b>	<b>83%</b>	<b>83%</b>	<b>83%</b>	<b>84%</b>	<b>83%</b>	<b>84%</b>	<b>82%</b>	<b>80%</b>
Mumbai	82%	82%	87%	90%	95%	95%	90%	87%	79%	87%
Gurgaon	89%	81%	81%	83%	85%	85%	84%	85%	84%	73%
Noida	68%	68%	78%	79%	79%	81%	84%	86%	84%	84%
Bengaluru	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hyderabad	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Pune	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Chennai	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Kolkata	91%	88%	87%	84%	84%	84%	82%	84%	83%	83%

Source: Company, JM Financial

## Valuation

## Exhibit 35. Embassy REIT Sep'24 TP

Sep'24 TP	Sep'24
Enterprise Value (Rs mn)	472,843
Less: Net debt	153,631
Equity Value (INR mn)	319,212
Shares Outstanding (mn)	948
Target Price (INR)	340
CMP	319
Upside (%)	7%

Source: Company, JM Financial

## Exhibit 36. Embassy REIT total returns

Total Return till Sep'24	(%)
Capital Appreciation	6.6%
Dividend Received	7.3%
<b>Total</b>	<b>13.8%</b>

Source: Company, JM Financial

## Exhibit 37. Mindspace REIT Sep'24 TP

Sep'24 TP	INR mn
Enterprise Value	271,313
Less: Net debt	68,147
Equity Value	203,167
Shares Outstanding (mn)	593
Target Price (INR)	345
CMP	317
Upside (%)	9%

Source: Company, JM Financial

## Exhibit 38. Mindspace REIT total returns

Total Return till Sep'24	(%)
Capital Appreciation	8.8%
Dividend Received	6.6%
<b>Total</b>	<b>15.4%</b>

Source: Company, JM Financial

## Exhibit 39. Brookfield REIT Sep'24 TP

Sep'24 TP	Sep'24
Enterprise Value (Rs mn)	255,165
Less: Net debt	95,687
Adj. for GIC stake	34,534
Equity Value (INR mn)	124,944
Shares Outstanding (mn)	439
Target Price (INR)	280
CMP	240
Upside (%)	17%

Source: Company, JM Financial

## Exhibit 40. Brookfield REIT total returns

Total Return till Sep'24	(%)
Capital Appreciation	16.7%
Dividend Received	7.9%
<b>Total</b>	<b>24.6%</b>

Source: Company, JM Financial

## APPENDIX I

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Rating	Meaning
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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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